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Title: Tobacco companies looking to lower payments to states

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Lead:

State Attorney General Greg Stumbo says he would "vigorously oppose" any attempt by tobacco manufacturers to lower their yearly payment to states as part of a settlement.

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State Attorney General Greg Stumbo says he would "vigorously oppose" any attempt by tobacco manufacturers to lower their yearly payment to states as part of a settlement.

This year's payment of six-point-five (B) billion dollars is due April 17th. The tobacco companies contend they should be able to reduce that by about one-point-two (B) billion because of a falling market share.

Officials say the companies would be entitled to a reduction only if states did not adequately enforce laws requiring cigarette makers outside the settlement to put money in escrow for future legal obligations.

There is a lag in annual payments to the states. The money owed this year actually deals with the companies' loss of market share in 2003. That year, the companies saw their share of the market drop to about 92 percent. Before the settlement, they had about 99 percent of the market.

Cigarette makers say the matter should go to arbitration and that they should pay less until the matter is settled legally.

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